

REMARKS

Reconsideration of the present application is respectfully requested in view of the following remarks. Prior to entry of this response, Claims 1-20 were pending in the application, of which Claims 1, 11, and 17 were independent. In the Final Office Action dated July 13, 2005, Claim 1-10 were rejected under 35 U.S.C. § 101 and Claims 1-20 were rejected under 35 U.S.C. § 103(a). Following this response, Claims 1-17 and 21-22 remain in this application, Claims 18-20 being canceled without prejudice or disclaimer and Claims 21-22 being added by this Amendment. Applicants hereby address the Examiner's rejections in turn.

I. Rejection of the Claims Under 35 U.S.C. § 101

In the Final Office Action dated July 13, 2005, the Examiner rejected Claims 1-10 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In the Office Action, the Examiner stated that "to overcome this rejection, a positive limitation in the body of the claim is required to recite the use of some technology, such as either a computer, *per se*, or else some other computer element that would inherently and necessarily require a computer, or some other aspect or elements of technology." (See Office Action, page 2, lines 14-17.) Consequently, Claim 1 has been amended to recite "obtaining the current inventory record from a **computer storage device**." (Emphasis added.) Applicants respectfully submit that the amendment overcomes this rejection and adds no new matter.

II. Rejection of the Claims Under 35 U.S.C. § 103(a)

In the Final Office Action, the Examiner rejected Claims 1-20 under 35 U.S.C. § 103(a) as being unpatentable over what the Examiner alleges to be admitted prior art as described in the background section of the present application (“APA”) in view of what the Examiner alleges to be “well known.” Claims 1, 11, and 17 have been amended, and Applicants respectfully submit that the amendments overcome this rejection and add no new matter. Claims 2, 4-10, 13-14, and 16 have been amended to place them in better form for consideration.

Amended Claim 1 is patentably distinguishable over the cited art for at least the reason that it recites, for example, “determining if the difference for a first product type indicates a shortage in the count of the current inventory record for the first product type relative to the updated count for the first product type; if the difference for the first product type indicates a shortage in the count of the current inventory record for the first product type, then determining if the first product type is interchangeable with a second product type; if the first product type is interchangeable with a second product type, then determining if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type relative to the updated count for the second product type; if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type, then substituting the excess of the second product type in place of the shortage of the first product type in the current inventory record, wherein the pricing and vintaging associated with the excess of the second product type are also substituted in place of

the shortage of the first product type." Amended Claim 11 includes a similar recitation. Amended Claim 17 has been rewritten to depend from independent Claim 11.

In contrast, *APA* at least does not disclose the aforementioned recitation. For example, *APA* states that there is a need for an inventory reconciliation system that provides more accurate pricing and vintaging for write-ons. A write-on may be an instance of a product being added to an inventory record count. When a write-on occurs, according to *APA*, a price and vintage must be assigned to the one or more added instances to the count for the product. For products in inventory that are not serialized, there is no way to determine the actual price and vintage information. To address this situation, the conventional practice has been to arbitrarily assign a price and vintage for write-ons by searching an inventory record for the product to find the earliest vintage and assigning this earliest vintage to the write-ons. Then, a price known for that vintage is assigned as the price for the write-on in the inventory record.

According to *APA*, this conventional approach has several flaws that increase the inaccuracy of the inventory record. First, because the products in inventory may span several years, it is highly unlikely that all products to be written-on have an actual vintage and price that are close to the earliest vintage and corresponding price. Second, a particular product may have a price that varies during a given vintage year, and assigning the price corresponding to the earliest vintage increases inaccuracy for this additional reason. And third, inventory records are subject to keying errors during data entry, and the price and vintage values may often be incorrectly entered. Therefore, consistent with the conventional approach, the earliest vintage and/or price

that is arbitrarily assigned to a write-on may be a vintage or price that has been entered in error, and additional inaccuracy results.

In contrast, *APA* does not disclose determining if a first product type is interchangeable with a second product type if the difference for the first product type indicates a shortage in the count of the current inventory record for the first product type. Furthermore, *APA* does not disclose determining if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type relative to the updated count for the second product type if the first product type is interchangeable with a second product type. In contrast, *APA* merely discloses that the earliest vintage and/or price that is arbitrarily assigned to a write-on may be a vintage or price that has been entered in error, and additional inaccuracy results.

In addition, *APA* does not disclose substituting the excess of the second product type in place of the shortage of the first product type in the current inventory record if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type. Rather, *APA* merely discloses that the conventional practice has been to arbitrarily assign a price and vintage for write-ons by searching an inventory record for the product to find the earliest vintage and assigning this earliest vintage to the write-ons. Then, consistent with *APA*, a price known for that vintage is assigned as the price for the write-on in the inventory record. Subsequently, *APA* does not result in the pricing and vintaging associated with the excess of the second product type are also substituted in place of the shortage of the first product type.

Furthermore, what the Examiner alleges to be "well known" does not overcome APA's deficiencies. While the Examiner states that the APA includes some elements of Claim 1 (see Office Action, page 3, lines 10-15), the Examiner merely states that these missing elements are "well known." First, Applicants respectfully submit that the aforementioned recitation from Claim 1 is not "well known". In addition, if the Examiner continues to rely on this unsupported contention, Applicants respectfully request the Examiner to provide support. See, In re Zurko, 258 F.3d 1379, 59 U.S.P.Q.2d 1693 (Fed. Cir. 2001) (holding that the USPTO must point to some concrete evidence in the record to support core factual findings in a determination of patentability); Memorandum by Stephen G. Kunin, Deputy Commissioner for Patent Examination Policy (February 21, 2002)(stating that it is never appropriate to rely on common knowledge without evidentiary support as sole or principal evidence on which to base rejection); 37 C.F.R. § 1.104 (providing that when a rejection in an application is based on facts within the personal knowledge of an Examiner, the data should be stated as specifically as possible, *and the facts must be supported*, when called for by the applicant, by an affidavit from the Examiner); MPEP § 2144.03 (providing that the Examiner may only take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being "well-known" in the art and, if the Applicant traverses such an assertion, the Examiner *should cite a reference* in support of his or her position.).

In sum, combining APA with what the Examiner considers to be "well known" would not have led to the claimed invention because APA and what the Examiner considers to be "well known", either individually or in combination, at least do not

disclose “determining if the difference for a first product type indicates a shortage in the count of the current inventory record for the first product type relative to the updated count for the first product type; if the difference for the first product type indicates a shortage in the count of the current inventory record for the first product type, then determining if the first product type is interchangeable with a second product type; if the first product type is interchangeable with a second product type, then determining if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type relative to the updated count for the second product type; if the difference for the second product type indicates an excess in the count of the current inventory record for the second product type, then substituting the excess of the second product type in place of the shortage of the first product type in the current inventory record, wherein the pricing and vintaging associated with the excess of the second product type are also substituted in place of the shortage of the first product type,” as recited by amended Claim 1. Amended Claim 11 includes a similar recitation. Accordingly, independent Claims 1 and 11 each patentably distinguish the present invention over the cited art, and Applicants respectfully request withdrawal of this rejection of Claims 1 and 11.

Dependent Claims 2-10 and 12-17 are also allowable at least for the reasons described above regarding independent Claims 1 and 11, and by virtue of their respective dependencies upon independent Claims 1 and 11. Accordingly, Applicants respectfully request withdrawal of this rejection of dependent Claims 2-10 and 12-17.

III. New Claims

Claims 21-22 have been added to more distinctly define and to round out the protection for the invention to which Applicants are entitled. Applicants respectfully submit that these claims are allowable over the cited art and that they add no new matter.

IV. Conclusion

In view of the foregoing remarks, Applicants respectfully request the reconsideration and reexamination of this application and the timely allowance of the pending claims. The preceding arguments are based only on the arguments in the Office Action, and therefore do not address patentable aspects of the invention that were not addressed by the Examiner in the Office Action. The claims may include other elements that are not shown, taught, or suggested by the cited art. Accordingly, the preceding argument in favor of patentability is advanced without prejudice to other bases of patentability. Furthermore, the Office Action contains a number of statements reflecting characterizations of the related art and the claims. Regardless of whether any such statement is identified herein, Applicants decline to automatically subscribe to any statement or characterization in the Office Action.

Please grant any extensions of time required to enter this response and charge
any additional required fees to our deposit account 13-2725.

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